

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
(Alexandria Division)**

)	
In re:)	
)	Case No. 10-14519-RGM
AIROCARE, INC.,)	(Chapter 11)
)	
Debtor.)	
)	

**STIPULATION AND CONSENT ORDER RESOLVING OBJECTION TO
CLAIM NO. 12 FILED BY EMF PROPERTIES, LLC**

AirOcare, Inc., (“AirOcare”), the debtor and debtor in possession in the captioned Chapter 11 case and EMF Properties, LLC (“EMF”), a creditor of AirOcare, by and through their undersigned counsel, hereby stipulate and agree as follows:

WHEREAS, this case was commenced when AirOcare filed a voluntary petition under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in this Court on May 29, 2010; and

WHEREAS, AirOcare listed EMF on its Schedule F as a general unsecured creditor with a disputed claim in the amount of \$35,868.75; and

WHEREAS, EMF filed Proof of Claim No. 12 as a general unsecured claim in the amount of \$77,365.95 on August 9, 2010; and

WHEREAS, on November 24, 2011, AirOcare filed its Amended Plan of Reorganization of AirOcare (the “Plan”) [Docket No. 126]; and

WHEREAS, on February 7, 2011, AirOcare filed its Objection to Claim No. 12

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Filed by EMF Properties Group, LLC (the "Claim Objection") [Docket No. 179] seeking disallowance of EMF's Claim; and

WHEREAS, on March 1, 2011, EMF filed its Objection to Debtor's Chapter 11 Plan of Reorganization (the "Plan Objection") [Docket No. 198]; and

WHEREAS, the parties have informally exchanged discovery regarding Claim No. 12; and

WHEREAS, AirOcare and EMF now agree that to avoid the costs and uncertainties of litigation, it is in the parties' best interest to resolve the various disputes between them; and

WHEREAS, the parties have agreed to allowance of the EMF claim in the amount of \$73,435.32 and AirOcare has agreed to withdraw the Claim Objection; and

WHEREAS, EMF has agreed to withdraw the Plan Objection; and

WHEREAS, EMF has agreed to cast its vote to accept the Plan in the agreed allowed amount of its claim, \$73,435.32, and AirOcare has agreed to waive any objection to the timeliness of such ballot pursuant to the Order (i) Approving First Amended Disclosure Statement, (ii) Establishing a Deadline for Filing Proofs of Claim by Scheduled, Disputed Creditors, (iii) Approving Form of Ballot, (iv) Establishing Voting Deadline and Procedures for Vote Tabulation, and (v) Approving Form Of Notice entered by the Court on January 21, 2011 [Docket No. 166].

NOW THEREFORE, UPON CONSIDERATION of the agreements of the parties contained herein as evidenced by the signature of their counsel below, it is, by the United States Bankruptcy Court for the Eastern District of Virginia sitting in Alexandria:

ORDERED, that Claim No. 12 filed by EMF is hereby ALLOWED in the amount of \$73,435.32; and it is further,

ORDERED, that the Claim Objection is hereby deemed withdrawn by AirOcare; and it is further,

ORDERED, that the Plan Objection is hereby deemed withdrawn by EMF.

Signed this _____ day of _____, 2011.

UNITED STATES BANKRUPTCY JUDGE

Certification under Local Rule 9022-1

I HEREBY CERTIFY that the proposed consent order has been endorsed by all necessary parties.

/s/ Frederick W.H. Carter
Frederick W. H. Carter

WE ASK FOR THIS:

/s/ Frederick W.H. Carter
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